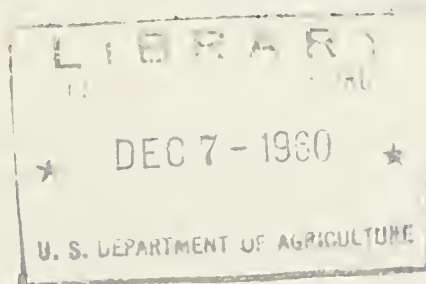


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PULSES
FDP 9-60
November 7, 1960

JAPAN AUTHORIZES PULSE

IMPORTS FOR 1960-61

Japan expects to export 640,000 bags of beans in the current marketing year compared with 460,000 bags last year and insignificant quantities the 2 years previous. Some of these beans (about 70,000 bags) have arrived in Cuba in recent weeks.

Japan, on the other hand, is one of the world's largest importers of pulses and a sizable amount of beans, especially low priced lima beans from Burma, and Adzukis and Broad beans from Communist China. Last year, Japan purchased 63,000 bags of U.S. beans varying in declared export value from \$2.50 to \$8.50 per cwt.

Notwithstanding plans to export 650,000 bags of beans, the Japanese Government recently announced an allocation of \$2,600,000 worth of foreign exchange to import about 650,000 bags of beans, peas, and other pulses in the next few months.

Another allocation is expected in early 1961 to permit importation of an additional 1 million bags which will round out the Japanese pulse import requirement of about 1.6 million bags in the year ending September 30, 1961. These pulses may be purchased anywhere in the world except Communist China. Imports of mung beans and soybeans will be net additions to these allocations.

Communist China is the normal source of more than one-half of Japan's pulse imports. China traded pulses with Japan until termination of the Sino-Japanese barter arrangement on August 25, 1959. Pulses bartered prior to or on that date, were approved to arrive in Japan up to the end of September 1960. Japanese importers have requested a short extension of time.

The Japanese need for imported pulses in 1961 will be greater than usual due to a smaller domestic acreage and production, particularly of kidney type beans Phaseolus vulgaris. The 1960 pulse acreage was 4 percent below 1959 and the bean acreage and production was 12 percent below. For beans, this is the second consecutive year of decline and probably reflects the encroachment of sugar beets and other competing crops in the Japanese bean producing areas. (See Japan and the Philippines Best Pulse Markets in Far East - Foreign Agricultural Circular, FDP 7-59, August 19, 1959).

If the announced program for 1961 is carried out according to plan, new sources will have to be found for a large part of the 450,000 bags of broad beans, 210,000 bags of Adzukis, and 160,000 bags of dry peas normally imported from China. Probably substitute pulses will have to be accepted.

Finding these quantities and varieties of pulse outside China will be difficult. All sizable Far Eastern countries except Communist China and Burma are net importers of pulses, and compete with Japan for the Chinese and Burmese exports. Japan normally gets 58 percent of its pulse imports from Communist China and 39 percent from Burma.

Burma cannot supply the major Chinese varieties because it produces few, if any, broad beans or Adzukis. Burma could meet the Chinese pulse tonnage by substituting other varieties but even then only at the expense of other competing importers such as India, Ceylon, Malaya, and Hong Kong, to whom 60 percent of Burma's pulse exports normally go.

The most important pulses exported from Burma include 660,000 bags of lima beans (3 varieties), 620,000 bags of mung beans (2 varieties), and 220,000 bags of pigeon peas. Japan already takes two-thirds of the exported limas and one-third of the mung beans, which this year are outside the announced import program. Hence, possibilities of expanding Japanese imports of pulses, especially of preferred varieties, from any Far Eastern source is limited to the extent that India, Ceylon, Malaya, and Hong Kong shift their purchases from Burma to Communist China. Japan might then increase its purchases from Burma. This shift seems questionable, especially in the case of India.

Japan has a barter agreement with Iran for importing broad beans, but Iran could replace the Chinese export to Japan of 450,000 bags annually only by exporting its entire annual production. The Mediterranean Basin is the center of the world's broad bean production outside the area embracing Communist China and Japan.

Undoubtedly, the preferred substitutes for Chinese pulses would be the varieties already commonly consumed in Japan. These are:

JAPAN: Varieties of pulses consumed, 1955-59 average

<u>Variety</u>	<u>1,000 bags</u>
Adzuki beans (similar color to U.S. small reds)	3,600
Kidney and lima type beans (similar to U.S. beans)	3,000
Broad beans	960
Dry peas	575
Cowpeas	500
Mung beans	420
Total	9,055

Important also in the Japanese pulse import program will be competitive prices of the various pulses. In Japan's import budget plan, the average price of beans (apparently the kidney or lima types beans) is set at \$100. c.i.f., per metric ton. Burmese white kidney shaped lima beans are being purchased at \$95. per metric ton. These are the lima beans of Burma which contain a high concentration of prussic acid.

U.S. exports of beans to Japan in the first 8 months of 1960, totaled 63,506 bags, having a declared value in the U.S. export statistics of \$312,775 or about \$109 a ton, f.a.s., United States. Several classes or lots of beans were included in these exports, however, and the declared value of the largest lot (33,000 bags) was near \$6 per bag. A smaller lot of 4,000 bags was valued at \$8.50 per bag. These are the highest values for U.S. commercial bean exports ever reported in sizable quantities to Japan except for small annual shipments of seed beans.

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